

Larger container lines drive operational gains from 'own terminals' in India

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As the Red Sea crisis remains a major drag on container supply chains, 'own terminal advantages' are believed to be benefiting the larger container lines serving Indian trades.

Mediterranean Shipping Co. (MSC) and CMA CGM have container terminal partnerships with the Adani Group at Mundra Port, India's busiest box gateway.

According to industry sources, this strategic investment model has placed these two carriers, particularly MSC, in a uniquely advantageous position relative to smaller lines amid widespread schedule disruptions and unscheduled or ad-hoc calls because of the Red Sea crisis-linked vessel diversions.

There are growing trade concerns that MSC vessels have often been given priority or out-of-turn berthing windows at Mundra, forcing other carrier ships offering scheduled/weekly services to wait or even skip calls due to long delays.

Sources noted that many smaller carriers have had to seek alternative berthing at terminals in Nhava Sheva.

"We have received a series of temporary berthing window requests in the last few weeks," a terminal official in Nhava Sheva told Container News.

Nhava Sheva Port has seen 470 container ship calls in April and May, up from 428 calls a year earlier, according to available data.

That shift is also reflected in the transshipment volume data for Nhava Sheva. The port's combined transshipment movements in the last two months have hit an all-time high. April-May transshipment volumes soared to 64,040 TEUs from 15,045 TEUs.

MSC already has significant transshipment activity out of Mundra, making the private port a hub point for the region.

Mundra's container volumes have expanded at an impressive pace in recent years – hitting 7.4 million TEUs in the fiscal year 2023-24, which was 15% higher than the total throughput reported by Nhava Sheva.

"The company's business model of end-to-end service, strategic partnership with key customers, leveraging the network effect through its string of ports, and focus on operational efficiencies is yielding results," Ashwani Gupta, whole-time director and CEO at Adani Ports (APSEZ) in a recent statement.

Trade sources have also voiced concerns over similar "special treatment" being extended to MSC vessels at the other Adani Group-operated terminals in southern India, such as Ennore and Kattupalli.

MSC, through its subsidiary Terminal Investments Limited (TiL), recently acquired a 49% stake in the Adani Ennore Container Terminal (AECTPL).

The Geneva-based shipping giant also owns 49% of a container terminal at Tuticorin Port (V.O. Chidambaranar), near Chennai, as a result of its global acquisition of Bollere Africa Logistics in 2022.

CMA CGM through CMA Terminals recently won concession rights to modernise and operate the oldest box terminal at Nhava Sheva in a joint venture with Mumbai-based J.M. Baxi Group.

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